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BOE Chairman Assures Taxpayers Federal Shutdown Has Minimal Impact on State Tax Agencies

Sacramento – Jerome E. Horton, Chairman of the California State Board of Equalization (BOE) and member of the Franchise Tax Board (FTB), announces that the federal government shutdown will have virtually no impact on these two state tax agencies.

"The Board of Equalization and Franchise Tax Board will continue to authorize tax refunds," said Chairman Horton. "I also encourage California taxpayers to timely file their 2012 extended income tax returns by Tuesday, October 15, 2013 and their BOE sales tax returns before the usual deadline to avoid associated penalties and interest."

Businesses and individual taxpayers are still required by law to file their state and federal tax returns and make deposits with the FTB and Internal Revenue Service (IRS), and make payment to the BOE.

The FTB depends on exchanges of information with the IRS. However, FTB does not anticipate any immediate impact from the current situation unless it extends for several more weeks.

On Tuesday, with the House and Senate failing to reach an agreement on a budget resolution to continue funding government operations, the Internal Revenue Service elaborated on the shutdown plans on its website, www.IRS.gov, including a temporary halt in sending out tax refunds, and the federal tax court suspension of operations. Tax refunds will not be issued until normal government operations resume, according to the IRS website. The IRS emphasizes, however, that the underlying tax law remains in effect, and all taxpayers should continue to file their tax returns and make deposits that are required by law.

While federal government offices are closed, people who have appointments with the IRS related to examinations and audits, as well as tax collection, appeals or Taxpayer Advocate cases should assume their meetings are canceled, the IRS website notes. IRS personnel may likely reschedule the meetings at a later date once the government shutdown ends.

In addition, IRS computer systems will continue to mail out automated notices to taxpayers, but IRS employees will not be sending any paper correspondence during the period when the federal government is shut down.

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The IRS provided some basic steps to follow during this period:

- Continue to file and pay taxes as normal. Taxpayers who have requested an extension of time to file should file their returns by October 15, 2013.
- All other tax deadlines remain in effect, including those covering individuals, corporations, partnerships and employers. The regular payroll tax deadlines remain in effect as well.
- Taxpayers can file their tax returns electronically or on paper—although the processing of paper returns will be delayed until full government operations resume. Payments accompanying paper tax returns will still be accepted as the IRS receives them.
- Tax refunds will not be issued until normal government operations resume.
- Tax software companies, tax practitioners and *Free File* will remain available to assist with taxes.

A number of limited IRS services will remain available. For taxpayers and preparers seeking assistance, only the automated applications on the regular 1-800-829-1040 telephone line will remain open.

The IRS website, www.IRS.gov, will remain available, except for some interactive features. IRS *Free File* partners—tax software vendors who partner with the IRS to provide free tax preparation and processing for taxpayers with incomes up to a certain threshold—will continue to accept and file tax returns. Tax software companies in general will also continue to accept and file tax returns, the IRS noted.

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Elected in 2010, Chairman Jerome E. Horton is the Fourth District Member of the California State Board of Equalization, representing more than 8.5 million residents in Los Angeles County. He is also the Board of Equalization's Legislative Committee Chairman. He is the first to serve on the Board of Equalization with over 21 years of experience at the BOE. Horton previously served as an Assembly Member of the California State Assembly from 2000-2006.

The five-member California State Board of Equalization is a publicly elected tax board. The Board of Equalization collects more than \$53.7 billion annually in taxes and fees supporting state and local government services. It hears business tax appeals, acts as the appellate body for franchise and personal income tax appeals, and serves a significant role in the assessment and administration of property taxes. For more information on other taxes and fees in California, visit www.taxes.ca.gov.

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